

AMENDED IN SENATE APRIL 23, 2012

SENATE BILL

No. 1266

Introduced by Senator Corbett

February 23, 2012

An act to *amend Sections 5096.501 and 5096.511 of, to add Section 5096.510 to, and to repeal and add Section 5096.517 of, the Public Resources Code, relating to state lands.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1266, as amended, Corbett. Resource conservation lands: appraisal process.

Existing law authorizes various state agencies to acquire land for purposes related to conservation, and requires an acquisition agency, as defined, ~~where an agency proposes to spend more than \$25,000,000 of state funds, to contract for at least one independent appraisal of the fair market value of the land. Existing law requires the Department of General Services, prior to any action by an the acquisition agency to approve a major acquisition of conservation lands, to contract for at least one independent appraisal of the fair market value of the land. Existing law further~~ A “major acquisition” is defined as an acquisition for which an agency proposes to spend more than \$25,000,000 of state funds.

This bill would redefine major acquisition as an acquisition for which an agency proposes to spend more than \$15,000,000 of state funds. The bill would also require that, if more than \$1,000,000 of state funds are proposed for expenditure or grant by an acquisition agency of conservation lands, the acquisition agency or the project partner, as defined, shall contract for an appraisal.

Existing law requires the ~~department~~ *Department of General Services* to convene a workgroup to develop and adopt standards, subject to the approval of the Natural Resources Agency, with respect to the acquisition of conservation lands concerning the appraisal process, availability of appraisal information, and valuation for purposes of a charitable contribution, as prescribed.

This bill would repeal those provisions requiring the department to convene a workgroup and would instead require that, in addition to any other requirements or standards prescribed by law, appraisal reports prepared for the acquisition of any land or interest therein by or with funding from an acquisition agency, as defined, include specified information, and meet specified requirements to be considered for appraisal review by the state.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 5096.501 of the Public Resources Code*
 2 *is amended to read:*
 3 5096.501. For purposes of this chapter, the following terms
 4 have the following meanings:
 5 (a) “Acquisition agency” means the Wildlife Conservation
 6 Board, the Department of Parks and Recreation, or a state
 7 conservancy.
 8 (b) “Conservation lands” means any land or interest therein to
 9 be acquired by an acquisition agency, or that is owned by the state.
 10 (c) “Major acquisition” means an acquisition ~~where~~ *for which*
 11 an agency proposes to spend more than ~~twenty-five~~ *fifteen* million
 12 dollars ~~(\$25,000,000)~~ *(\$15,000,000)* of state funds.
 13 (d) “Project partner” means a public agency or nonprofit
 14 organization that is seeking state funding from an acquisition
 15 agency for the acquisition of conservation lands.
 16 SEC. 2. Section 5096.510 is added to the Public Resources
 17 Code, to read:
 18 5096.510. If more than one million dollars (\$1,000,000) of
 19 state funds are proposed for expenditure or grant by an acquisition
 20 agency of conservation lands, the acquisition agency or the project
 21 partner shall contract for an appraisal.

1 *SEC. 3. Section 5096.511 of the Public Resources Code is*
2 *amended to read:*

3 5096.511. Prior to any action by an acquisition agency to
4 approve a major acquisition of conservation lands, the acquisition
5 agency *or project partner* shall contract for at least one independent
6 appraisal of the fair market value of the land. The appraisal shall
7 be conducted by a qualified member of the Appraisal Institute who
8 is licensed pursuant to Part 3 (commencing with Section 11300)
9 of Division 4 of the Business and Professions Code. The appraisal
10 shall be prepared pursuant to the Uniform Standards of Professional
11 Appraisal Practice.

12 ~~SECTION 4.~~

13 *SEC. 4. Section 5096.517 of the Public Resources Code is*
14 *repealed.*

15 ~~SEC. 2.~~

16 *SEC. 5. Section 5096.517 is added to the Public Resources*
17 *Code, to read:*

18 5096.517. (a) In addition to any other requirements or
19 standards prescribed by law, appraisal reports prepared for the
20 acquisition of any land or interest therein by or with funding from
21 an ~~“acquisition agency”~~, “*acquisition agency*,” as defined in
22 subdivision (a) of Section 5096.501, shall include all of the
23 following to be considered for appraisal review by the state:

24 (1) A collection of descriptive photographs and maps of
25 sufficient quality and detail to clearly depict the subject property
26 and any market data relied upon, including the relationship between
27 the location of the subject property and the market data.

28 (2) A complete description of the subject property land, site
29 characteristics, and improvements. Valuations based on a
30 property’s development potential shall include:

31 (A) Verifiable data on the development potential of the land.

32 (B) A description of what would be required for a development
33 project to proceed, such as legal entitlements, and infrastructure
34 needs.

35 (C) Presentation of evidence that sufficient demand exists, or
36 is likely to exist in the future, to provide market support for the
37 development.

38 (3) A statement by the appraiser indicating to what extent land
39 title conditions were investigated and considered in the analysis

1 and value conclusion. The appraisal shall also include a preliminary
2 appraisal report when such a report is available.

3 (4) A discussion of implied dedication, prescriptive rights, or
4 other unrecorded rights as described in Sections 801 to 813,
5 inclusive, and Sections 1006 to 1009, inclusive, of the Civil Code,
6 that may affect value, indicating the extent of investigation and
7 any knowledge or observation of conditions that might indicate
8 evidence of public use. If the appraiser has no knowledge of, or
9 has not observed, those conditions, a statement to that effect shall
10 be included in the appraisal report.

11 (5) An appraisal report that includes more than nominal value
12 for specialty interests, including, but not limited to, timber, water,
13 minerals, or carbon credits, shall include a separate valuation
14 prepared and signed by a certified or registered professional
15 qualified in the field of specialty interest. This valuation shall be
16 reviewed and approved by a second qualified, certified or registered
17 professional, considered by the appraiser, and appended to the
18 appraisal report.

19 (b) Each appraisal report shall be prepared by, and include a
20 signature by an appropriately licensed or certified real estate
21 appraiser in good standing pursuant to Part 3 (commencing with
22 Section 11300) of Division 4 of the Business and Professions Code,
23 and *its* implementing regulations.